

SMALL BUSINESS DISASTER ASSISTANCE LOAN GUARANTEE PROGRAM

Klamath River Basin Chinook Salmon State of Emergency

Purpose: The Small Business Disaster Assistance Loan Guarantee Program helps farm and agriculture-related enterprises obtain financing needed to recover from losses caused by disasters in areas declared to be in a State of Emergency by the Governor. Counties currently under a State of Emergency because of adverse effects on the Klamath River Basin Chinook Salmon population include: **Del Norte, Humboldt, Monterey, Santa Cruz, San Mateo, San Francisco, Marin, Sonoma, Mendocino, and Siskiyou.**

Eligible Applicants: Enterprises located in a county declared to be in a State of Emergency by the Governor that are directly engaged in the production of Chinook Salmon, including raising, harvesting, and processing Chinook Salmon. An applicant must have suffered physical damage or economic injury as a result of the disaster. "Physical damage" means real or personal property damaged or lost, including structural losses. "Economic injury" means an economic loss resulting in the inability of a business to meet its obligations and to pay its ordinary and necessary operating expenses, including production losses. In addition, the applicant must not be able to obtain credit on their own.

How to Apply: For assistance related to damage to the Klamath River Basin Chinook Salmon caused by poor ocean conditions, drought, water management, water quality, water flows, disease, and the elimination of access to historical spawning habitat, contact one of the following Financial Development Corporations (FDCs):

SAFE-BIDCO
1211 N. Dutton Ave., Suite D
Santa Rosa, CA 95401
(707) 577-8621
www.safe-bidco.com

Cal Coastal
221 Main Street, Suite 301
Salinas, CA 93901
(831) 424-1099
www.calcoastal.org

Nor-Cal
300 Frank H. Ogawa Plaza, Suite 251
Oakland, CA 94612
(510) 208-7330
www.norcalfdc.org

Guarantee Amount: Normally 80 to 95 percent of the loan is guaranteed, with the guaranteed portion of the loan not exceeding \$500,000. The amount guaranteed is subject to negotiation between the FDC and the lender, but cannot exceed 95 percent.

Eligible Uses: Physical damage and economic costs related to the disaster. An applicant may apply for a physical disaster loan to help repair or replace damaged property to its *pre-disaster* condition, or may apply for a loan to sustain production equal to one year of normal operational costs.

Loan Term: The loan guarantee may be a maximum of seven years.

Interest Rates and Fees: Interest rates range from Prime to Prime plus three percent, depending upon the amount of the loan that is guaranteed. The lender may charge for out-of-pocket expenses, as well as a loan fee of up to 1.5 percent of the loan amount. The FDC may charge a guarantee fee of up to one percent of the guarantee amount.

Collateral: Collateral is typically required, but each loan is tailored to meet the borrower's financial situation.